



UNITED STATES MARINE CORPS

III MARINE EXPEDITIONARY FORCE, FMF

UNIT 35801

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ForO 7500.1

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FORCE ORDER 7500.1

From: Commanding General

To: Distribution List

Subj: COMMAND RESPONSIBILITIES REGARDING AUDITS, INVESTIGATIONS,
AND OFFICIAL REVIEWS

Ref: (a) MCO 7510.3D
(b) FMFM 3-1
(c) FMFPacO 7500.2B
(d) ForO P5000.2F

Encl: (1) Keys to a Successful Audit or Visit

1. Purpose

a. To establish procedures per the references, and assign responsibilities to ensure appropriate command action relative to audits, investigations, or reviews by agencies listed in paragraphs 2d and 2e, following.

b. To clarify support requirements and promote supportive attitudes. The enclosure contains a summary of key requirements to support a successful audit.

c. To control audit information flow so that appropriate Command Element and Major Subordinate Command (MSC) staffs are informed and better able to support auditors.

d. To ensure audit recommendations are implemented, if accurate, sound, and productive, or to properly reclama if not.

e. To ensure that the Commanding General, III Marine Expeditionary Force (III MEF) is aware of all audit activities involving units under the Commanding General's cognizance.

2. Background

a. Although the term "audit" is often associated with the process of examining accounting records and related documents, the activities of audit agencies are not restricted to accounting matters. The scope of audits may extend into all aspects of III MEF operations.

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b. Emphasis by Congress and higher headquarters on efficient and effective use of government resources has resulted in an increase in audits, reviews, and analysis of activities within DOD. Failure to thoroughly prepare, support and follow-up on audit recommendations can risk needed resources.

c. Reference (a) amplifies Department of Navy procedures on command attention, response, and follow-up to audit reports. Reference (b) appoints the Comptroller as the focal point for all matters pertaining to audits conducted by internal and external Marine Corps agencies. Reference (c) defines the audit policy of the Commander, Marine Forces Pacific (COMMARFORPAC) and spells out procedures for ensuring that audits receive proper command attention. Reference (d) further describes the function of the Assistant Chief of Staff (AC/S), Comptroller with respect to coordination and monitoring.

d. Agencies external or internal to the Marine Corps authorized to conduct audits within III MEF are limited to the U.S. General Accounting Office; Department of Defense Inspector General; Naval Audit Service; Department of the Navy Inspector General; and Surveys and Investigations Staff, House and Senate Appropriations Committees.

e. Defense Contract Audit Agency (DCAA) and Marine Corps Nonappropriated Fund Audit Service (MCNAFAS) are not covered in this Order, but the general guidance with respect to audit response is germane.

f. Although it is the policy of the Marine Corps to cooperate with and assist auditors, commanders are not required to provide preferential treatment by disrupting operations or schedules or honoring unannounced visits. "Surprise" audits are inappropriate with the exception of unannounced disbursing audits.

3. Responsibility. The III MEF AC/S, Comptroller is the III MEF focal point for command relations with auditors and audit agencies. It is, however, the responsibility of personnel contacted by auditors/investigators of external agencies to ensure information and data provided are accurate, factual and valid, as well as relative to the review in progress.

4. Procedures

a. Notification of Visit. Audit agencies have the responsibility for advising commanders of proposed visits relating to the impending audit, visit, or review via COMMARFORPAC. In unusual circumstances, the announcement will be made by telephone followed by written confirmation. A written notification should contain the report number, purpose of the visit, dates involved, and the security data pertinent to the individuals conducting the audit. If the audit is initiated at a level below COMMARFORPAC or

from another staff within III MEF, audit notifications must come through the AC/S, Comptroller.

b. Liaison. The III MEF AC/S, Comptroller will coordinate all external audits and will:

(1) Ensure that COMMARFORPAC AC/S, Comptroller has verified that proper security clearances are held by the auditors.

(2) Promptly provide the III MEF Chief of Staff, cognizant staff principal, and any MSC involved, of details regarding scheduled audits.

(3) Arrange for the auditors to meet appropriate III MEF staff personnel involved in the audit.

(4) Schedule an inbrief with the Commanding General and appropriate staff principals prior to the audit and an exit brief following the audit. The level/location of the briefs will be commensurate with the command level/MSC at which the audit is taking place. For example; an audit brief on Prepositioned War Reserve would take place at 3d FSSG with a III MEF AC/S, Comptroller and/or AC/S, G-4 representative in attendance. The level/location of entrance or exit briefs may be elevated to or repeated at III MEF if sensitivity or impact dictates. Normally an entrance conference will have already occurred at the COMMARFORPAC level or above and higher headquarters staff counterparts should have insight concerning the particular aspects of the audit or auditors. The information gained by higher headquarters during their entrance brief may be useful in preparation for the local inbrief.

(5) Maintain an official file for each audit for two years. Copies of all documents and pertinent correspondence received from and provided to the auditors must be retained within the file. Listings may be used instead of copies if the copies are retained elsewhere and the location annotated on the listing.

c. Release of Information. Once notified of the audit by the III MEF AC/S, Comptroller, audit representatives of agencies listed in paragraph 2d above are authorized access to any management information that is consistent with the purpose of the audit and with the security clearance of the individual auditor. During the course of an audit, regardless of Comptroller notification, a request for unrestricted and uncensored access through raw files in the nature of a "fishing expedition," is considered an improper request.

d. Response to Audit Reports

(1) Audit response is a process which includes informal audit/management discussions, closing conferences, and

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correspondence to ensure that the audit findings are implemented/resolved on a timely basis.

(2) Audit response will be conducted per reference (a). III MEF commands and appropriate staff sections will provide recommended responses to reports of external audit agencies to the Commanding General, III MEF (AC/S, Comptroller) within the deadline established by the III MEF AC/S, Comptroller for each audit.

(3) Differences of opinion or interpretation and disagreements should be identified and resolved (to the extent possible) during the audit process/exit conferences. Findings may be presented during the exit conference either verbally or in writing. If no exit conference is scheduled, commanders will ensure that an outbrief from the auditor or audit team is scheduled.

(4) Inaccuracies or unsound conclusions should be refuted on the basis of fact or logic. Opinions not supported by fact or logic will not be used in the management response to audits.

(5) All findings or recommendations that may identify a savings of resources (funds, manpower, or material), must be given critical review at all stages of the response to determine the accuracy of the conclusion and to refute any findings, if evidence indicates a lack of sound logic or accuracy.

e. Follow-up

(1) Commanding generals/commanding officers of all III MEF commands must ensure follow-up procedures are in place to monitor all audit recommendations until they are implemented or resolved.

(2) The III MEF AC/S, Comptroller is responsible for the administration and control of the audit follow-up process. Administration and control of the audit follow-up is limited to monitoring the audited activity to ensure that corrective action has been initiated and/or completed, and notifying the appropriate authorities of such action. The technical and compliance follow-up on the recommendation of an external audit agency is the responsibility of the III MEF staff principal that has cognizance over the functional area involved.

f. Distribution of Results. Distribution of audit reports, responses, and follow-up information will be limited to the III MEF, the audit agency and the Marine Corps chain of command. Any deviation from this limitation must be approved by the Commanding General, III MEF.

5. Action

a. AC/S, Comptroller

(1) Act as command focal point for all audits, reviews or investigations by internal and external agencies.

(2) Notify the Commanding General, III MEF, cognizant staff principals, MSCs and COMMARFORPAC of announced visits.

(3) Determine the scope of the audit, review, or investigation and those command activities affected.

(4) Identify (when appropriate) a III MEF staff principal to be the primary point of contact for the auditors during all phases of the audit.

(5) Schedule opening/entrance and out/exit briefs. Outbriefs and exit briefs will be held without exception for audits within III MEF. Briefing schedule and plans will be coordinated with the cognizant III MEF staff principal. In the case of 1st Marine Expeditionary Brigade, the Commanding General will take the brief and report the results to the Commanding General, III MEF (AC/S, Comptroller).

(6) Appoint a Liaison Officer, or direct the affected MSC to appoint a Liaison Officer to coordinate command support.

(7) Provide guidance to the staff principal in regards to type and level of support required, types and kinds of information that may be divulged, type and level of briefings required and information/data required to be compiled by the visited activity to meet report requirements.

(8) Report, when appropriate, results of exit briefs to COMMARFORPAC or other defined higher headquarters.

(9) Establish an official file for maintenance of correspondence relating to each audit. This file should contain information about all aspects of the visit, reports of contacts with auditors, copies of documents provided to the auditors (or location of copies held elsewhere within the command), audit reports, and command responses and follow-up action documents or pertinent correspondence.

(10) Provide the III MEF Chief of Staff with a copy of the draft and final reports of all external audits when the reports are received.

(11) Coordinate with sections involved for response to draft reports of the audit agencies involved. Provide proposed command responses to the Chief of Staff and the III MEF Inspector within 15 days of receiving the draft report.

(12) Ensure prompt review of written drafts of audit findings and recommendations. Review, analyze and evaluate proposed command response to ensure validity, responsiveness, and pertinence.

(13) Ensure that all audit recommendations are processed to completion and validate corrective action.

b. Liaison Officer. The Liaison Officer should be a III MEF or MSC member with expertise in the area(s) being examined by the auditor. Ideally, this officer should have the experience and insight to best support the auditors and at the same time represent the command. Selection of a knowledgeable Liaison Officer is in the best interest of III MEF and will serve to keep command and staff sections informed on audit developments and trends as well as leaving the auditors with the assurance that they are getting the best possible command support of their efforts. The Liaison Officer will:

(1) Coordinate support provided auditors, within guidance provided by this Order and the III MEF AC/S, Comptroller or MSC Comptroller in the case of a Liaison Officer appointed at the MSC level.

(2) Provide the III MEF AC/S, Comptroller with written reports of contact with auditors (via the MSC Comptroller in the case of a Liaison Officer appointed at the MSC level). Contact reports should include names, titles, and grades of personnel involved, date of contact, subject of contact, brief discussion of items/activities reviewed, response to questions asked and conclusions drawn, and expected result of contact.

(3) Update the III MEF AC/S, Comptroller on audit progress and include them in the coordination of exit briefs.

(4) Provide the III MEF AC/S, Comptroller with a written Exit Brief Report within two working days of exit brief.

(5) Provide the III MEF AC/S, Comptroller with a copy of the draft and final reports of all external audits, as well as Memorandums for the Record prepared during the course of the audit as soon as the reports are received.

(6) Coordinate with sections involved for response to draft reports of the audit agencies involved. Provide proposed command responses to the III MEF Inspector and the III MEF AC/S, Comptroller within 15 days of receiving the draft report.

(7) Retain a file containing all the above mentioned reports, for a minimum of two years after the issuance of the final report, or after an Inspector General visit following the implementation of all recommendations, whichever occurs later.

The office or staff section to which the liaison officer belongs will assume this responsibility in the event of transfer of the Liaison Officer. A copy of the completed file will be provided to the III MEF AC/S, Comptroller.

c. Commanding Generals and Commanding Officers

- (1) Implement the procedures contained in this Order.
- (2) Appoint a Liaison Officer, when necessary, to coordinate all aspects of an audit, i.e., entrance and exit conferences, administrative details (working space), etc.
- (3) Ensure that the complete file of each audit and information provided to the auditors is provided to the III MEF AC/S, Comptroller.
- (4) Promptly review the local audit report and respond within the time frame allotted. Findings in which the command concurs will be rectified at the local level. Refer findings in which the command does not concur to the Commanding General, III MEF (AC/S, Comptroller) immediately. Provide reasons for nonconcurrence.
- (5) Establish follow-up procedures to ensure that all audit recommendations are processed to completion and that completion is reported promptly to the Commanding General, III MEF (AC/S, Comptroller).
- (6) Submit all audit correspondence via the Commanding General, III MEF (AC/S, Comptroller).
- (7) Identify areas of interest to the Commanding General, III MEF (AC/S, Comptroller) where an audit might be of assistance to the command in achieving overall III MEF goals and objectives or would enhance ongoing management efforts.

c. III MEF Staff Principals

- (1) Provide a representative at briefings/conferences for audits within their staff cognizance.
- (2) Provide the AC/S, Comptroller with written reports that summarize any contacts with auditors. When there is an assigned Liaison Officer, this contact report should be submitted to the Liaison Officer for compilation with other such reports and submitted to the AC/S, Comptroller.
- (3) Contact the AC/S, Comptroller immediately for guidance, if contacted by an auditor without notification by the AC/S, Comptroller or the designated Liaison Officer.

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(4) Promptly review audit reports. If the findings are correct and the deficiencies can be corrected, the responsible staff is accountable for the rectifying action and will furnish the AC/S, Comptroller with a target date for completion. If findings are not considered to be correct or if an audit recommendation would be impractical to implement, notify the AC/S, Comptroller immediately of the reasons for the disagreement.

(5) Nonconcurrency must clearly provide supporting rationale, logic, and facts to refute the finding or recommendation.

(6) Coordinate scheduling and planning for all entrance and exit conferences with the III MEF AC/S, Comptroller.

(7) Follow-up and/or implement corrective action until compliance with all audit recommendations has been achieved.


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Chief of Staff

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KEYS TO A SUCCESSFUL AUDIT OR VISIT

1. Coordinate and decide responsibility for lodging, working spaces, and transportation for the auditors at the time of the audit notification.
2. Ensure effective liaison during all phases of the audit.
3. Document the names of all attendees at the entrance and exit conference.
4. Document any conversation that takes place during an audit that is felt to be of a classified or sensitive nature.
5. Document any potential findings discovered during the audit and report them through the chain of command to the III MEF, AC/S Comptroller.
6. Ensure that an exit brief is conducted with all interested/affected parties in attendance. Document all findings that the auditors identify at the exit conference. If the audit is of a sensitive or highly charged topic, have all personnel who have contact with the auditors make Memorandums for the Record detailing their contact with the auditor.
7. Contact the III MEF AC/S, Comptroller immediately if questions or concerns arise about the audit.

ENCLOSURE (1)